

AMENDED IN SENATE APRIL 15, 2010

SENATE BILL

No. 1047

Introduced by Senator Correa

February 16, 2010

An act to amend ~~Section 62.1 of the Revenue and Taxation Sections 798.4, 799, and 799.1 of the Civil Code~~, relating to ~~taxation mobilehomes~~.

LEGISLATIVE COUNSEL'S DIGEST

SB 1047, as amended, Correa. ~~Property taxation: mobilehomes. Mobilehomes: nonprofit resident-owned mobilehome park.~~

The Mobilehome Residency Law governs the terms and conditions of tenancies in mobilehome parks and defines a mobilehome park for purposes of these provisions. The law also sets forth separate provisions that govern, and are only applicable to, the rights of a resident who has an ownership interest in a subdivision, cooperative, or condominium for mobilehomes or a resident-owned mobilehome park in which the resident's mobilehome is located or installed.

This bill would revise the latter provisions described above to exclude a nonprofit resident-owned mobilehome park from the scope of those provisions.

~~Existing property tax law requires the reassessment at fair market value of real property upon a change in ownership, and specifies those transfers of real property that constitute a change in ownership. Existing law excludes from classification as a change in ownership, subject to certain conditions, any transfer made, on or after January 1, 1985, of a mobilehome park to a nonprofit corporation, stock cooperative corporation, limited equity stock cooperative, or other entity formed by the tenants of the park for the purpose of purchasing the park.~~

~~Existing law classifies as a change in ownership any subsequent transfer of any portion of that same mobilehome park, on and after January 1, 1989, that is not for the purpose of converting ownership of the park in a specified manner.~~

~~This bill would make a technical, nonsubstantive change to this provision.~~

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 798.4 of the Civil Code is amended to*
2 *read:*

3 798.4. “Mobilehome park” is an area of land where two or
4 more mobilehome sites are rented, or held out for rent, to
5 accommodate mobilehomes used for human habitation *and includes*
6 *a nonprofit resident-owned mobilehome park, as defined in*
7 *subdivision (a) of Section 799, where the member leases his or her*
8 *space.*

9 *SEC. 2. Section 799 of the Civil Code is amended to read:*

10 799. As used in this article:

11 (a) “Nonprofit resident-owned mobilehome park” means a
12 mobilehome park owned and operated by a nonprofit mutual
13 benefit corporation, established pursuant to Section 11010.8 of
14 the Business and Professions Code, whose members consist of
15 park residents where there is no recorded condominium plan,
16 tract, parcel map, or declaration.

17 ~~(a)~~

18 (b) “Ownership or management” means the ownership or
19 management of a subdivision, cooperative, or condominium for
20 mobilehomes, or of a resident-owned mobilehome park *that does*
21 *not fall under the definition provided in subdivision (a).*

22 ~~(b)~~

23 (c) “Resident” means a person who maintains a residence in a
24 subdivision, cooperative, or condominium for mobilehomes, or a
25 resident-owned mobilehome park *that does not fall under the*
26 *definition provided in subdivision (a).*

27 ~~(c)~~

28 (d) (1) “Resident-owned mobilehome park” means any entity
29 ~~other than a subdivision, cooperative, or condominium for~~

mobilehomes, through which the residents have an ownership interest in the mobilehome park *except as provided in paragraph (2).*

(2) A “resident-owned mobilehome park” does not include either of the following:

(A) A subdivision, cooperative, or condominium for mobilehomes.

(B) A nonprofit resident-owned mobilehome park.

SEC. 3. Section 799.1 of the Civil Code is amended to read:

799.1. This article shall govern the rights of a resident who has an ownership interest in the subdivision, cooperative, or condominium for mobilehomes, or a resident-owned mobilehome park in which his or her mobilehome is located or installed. *This article shall not apply to a nonprofit resident-owned mobilehome park.* In a subdivision, cooperative, or condominium for mobilehomes, or a resident-owned mobilehome park, Articles 1 (commencing with Section 798) to 8 (commencing with Section 798.84), inclusive, shall apply only to a resident who does not have an ownership interest in the subdivision, cooperative, or condominium for mobilehomes, or the resident-owned mobilehome park, in which his or her mobilehome is located or installed. *Articles 1 (commencing with Section 798) to 8 (commencing with Section 798.84), inclusive, shall also apply to nonprofit resident-owned mobilehome parks.*

~~SECTION 1. Section 62.1 of the Revenue and Taxation Code is amended to read:~~

~~62.1. (a) Change in ownership does not include any of the following:~~

~~(1) Any transfer, on or after January 1, 1985, of a mobilehome park to a nonprofit corporation, stock cooperative corporation, limited equity stock cooperative, or other entity formed by the tenants of a mobilehome park, for the purpose of purchasing the mobilehome park, provided that, with respect to any transfer of a mobilehome park on or after January 1, 1989, subject to this paragraph, the individual tenants who were renting at least 51 percent of the spaces in the mobilehome park prior to the transfer participate in the transaction through the ownership of an aggregate of at least 51 percent of the voting stock of, or other ownership or membership interests in, the entity that acquires the park. If, on or after January 1, 1998, a park is acquired by an entity that did not~~

1 attain an initial tenant participation level of at least 51 percent on
2 the date of the transfer, the entity shall have up to one year after
3 the date of the transfer to attain a tenant participation level of at
4 least 51 percent. If an individual tenant notifies the county assessor
5 of the intention to comply with the conditions set forth in the
6 preceding sentence, the mobilehome park may not be reappraised
7 by the assessor during that period. However, if a tenant
8 participation level of at least 51 percent is not attained within the
9 one-year period, the county assessor shall thereafter levy escape
10 assessments for the mobilehome park transfer.

11 (2) Any transfer or transfers on or after January 1, 1985, of
12 rental spaces in a mobilehome park to the individual tenants of the
13 rental spaces, provided that (1) at least 51 percent of the rental
14 spaces are purchased by individual tenants renting their spaces
15 prior to purchase, and (2) the individual tenants of these spaces
16 form, within one year after the first purchase of a rental space by
17 an individual tenant, a resident organization as described in
18 subdivision (l) of Section 50781 of the Health and Safety Code,
19 to operate and maintain the park. If, on or after January 1, 1985,
20 an individual tenant or tenants notify the county assessor of the
21 intention to comply with the conditions set forth in the preceding
22 sentence, any mobilehome park rental space that is purchased by
23 an individual tenant in that mobilehome park during that period
24 shall not be reappraised by the assessor. However, if all of the
25 conditions set forth in the first sentence of this paragraph are not
26 satisfied, the county assessor shall thereafter levy escape
27 assessments for the spaces so transferred. This paragraph shall
28 apply only to those rental mobilehome parks that have been in
29 operation for five years or more.

30 (b) (1) If the transfer of a mobilehome park has been excluded
31 from a change in ownership pursuant to paragraph (1) of
32 subdivision (a) and the park has not been converted to
33 condominium, stock cooperative ownership, or limited equity
34 cooperative ownership, any transfer on or after January 1, 1989,
35 of shares of the voting stock of, or other ownership or membership
36 interests in, the entity that acquired the park in accordance with
37 paragraph (1) of subdivision (a) shall be a change in ownership of
38 a pro rata portion of the real property of the park unless the transfer
39 is for the purpose of converting the park to condominium, stock
40 cooperative ownership, or limited equity cooperative ownership

1 or is excluded from change in ownership by Section 62, 63, or
2 63.1.

3 (2) For the purposes of this subdivision, “pro rata portion of the
4 real property” means the total real property of the mobilehome
5 park multiplied by a fraction consisting of the number of shares
6 of voting stock, or other ownership or membership interests,
7 transferred divided by the total number of outstanding issued or
8 unissued shares of voting stock of, or other ownership or
9 membership interests in, the entity that acquired the park in
10 accordance with paragraph (1) of subdivision (a).

11 (3) Any pro rata portion or portions of real property that changed
12 ownership pursuant to this subdivision may be separately assessed
13 as provided in Section 2188.10.

14 (4) (A) Notwithstanding any other provision of law, after an
15 exclusion under subdivision (a), the assessor may not levy any
16 escape or supplemental assessment with respect to any change in
17 ownership of a pro rata portion of the real property of the
18 mobilehome park that occurred between January 1, 1989, and
19 January 1, 2002, and for which the assessor did not, prior to
20 January 1, 2000, levy any assessments. However, commencing
21 with the January 1, 2002, lien date, the assessor shall correct the
22 base year value of the pro rata portion of the real property of the
23 park to properly reflect these changes in ownership. A mobilehome
24 park shall provide information requested by the assessor that is
25 necessary to correct the base year value of the property for purposes
26 of this paragraph.

27 (B) When an assessor corrects the base year value of the real
28 property of the park pursuant to subparagraph (A), the assessor
29 shall notify parks that residents may be eligible for property tax
30 assistance programs offered by either the Controller or the
31 Franchise Tax Board for senior citizens, or blind or disabled
32 persons.

33 (C) Any outstanding taxes that were levied between January 1,
34 2000, and January 1, 2002, as a result of a pro rata change in
35 ownership as described in subparagraph (A) shall be canceled.
36 However, there shall be no refund of taxes, as so levied, that were
37 paid prior to January 1, 2002.

38 (5) A mobilehome park that does not utilize recorded deeds to
39 transfer ownership interest in the spaces or lots shall file, by

1 February 1 of each year, a report with the county assessor's office
2 containing all of the following information:

3 (A) The full name and mailing address of each owner,
4 stockholder, or holder of an ownership interest in the mobilehome
5 park.

6 (B) The situs address, including space number, of each unit.

7 (C) The date that the ownership interest was acquired.

8 (D) If the unit is a manufactured home, the Department of
9 Housing and Community Development decal number or serial
10 number, or both, and whether the manufactured home is subject
11 to the vehicle license fee or the local property tax.

12 (6) Within 30 days of a change in ownership, the new resident
13 owner or other purchaser or transferee of a manufactured home
14 within a mobilehome park that does not utilize recorded deeds to
15 transfer ownership interest in the spaces or lots shall file a change
16 in ownership statement described in either Section 480 or 480.2.

17 (7) Failure to comply with the reporting requirement described
18 in paragraph (5) shall result in a penalty pursuant to Section 482.

19 (e) It is the intent of the Legislature that, in order to facilitate
20 affordable conversions of mobilehome parks to tenant ownership,
21 paragraph (1) of subdivision (a) apply to all bona fide transfers of
22 rental mobilehome parks to tenant ownership, including, but not
23 limited to, those parks converted to tenant ownership as a nonprofit
24 corporation made on or after January 1, 1985.